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May 20, 2011

BY HAND DELIVERY

Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

ENTERED
Office of Proceedings
MAY 20 2011
Part of
Public Record

RE: *Stewartstown Railroad Company – Adverse Abandonment – In York County, PA,
STB Docket No. AB-1071*

Dear Ms. Brown:

On or about June 15, 2011, the Estate of George M. Hart (“Estate”) expects to file a formal application for a third-party (or “adverse”) abandonment of the entire 7.4-mile rail line of the Stewartstown Railroad Company (“SRC”), located in York County, PA.

Enclosed you will find a notice of intent to abandon the SRC rail line, which is filed in accordance with the Board’s regulations at 49 C.F.R. Part 1152, Subpart C, and which adheres to the form of notice generally approved by the Board earlier in this proceeding.

In addition to accomplishing a timely filing of the notice of intent to abandon with the Board, the Estate hereby certifies that it has also today served copies of the attached notice of intent upon the following parties as required at 49 C.F.R. §1152.20(a)(2): Tom Corbett, Governor of Pennsylvania; Pennsylvania Public Utility Commission; Pennsylvania Department of Transportation Bureau of Rail Freight, Ports and Waterways; the State Cooperative Extension Service; United States Department of Transportation (Federal Railroad Administration); SDDC TEA, Railroads for National Defense; the National Park Service Rivers & Trails Conservation Program; U.S. Railroad Retirement Board; the Chief of the Forest Service; and past users of the

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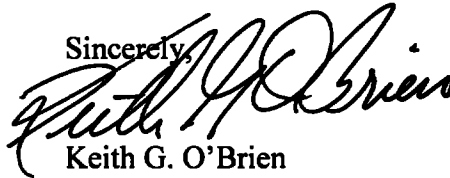
subject rail line.¹

There are no known duly certified labor organizations representing employees on the affected line (if, indeed, SRC has any employees at this time). Additionally, because the National Railroad Passenger Corporation ("Amtrak") does not operate over the line, it was not served a copy of the notice of intent.

This letter also certifies that, in accordance with 49 C.F.R. §§ 1152.20(a)(4) and (b)(3), the attached notice of intent will run in the Central Pennsylvania Business Journal weekly beginning today, May 20, 2011, for three consecutive weeks.

If there are any questions concerning this notice of intent to abandon, please contact either Keith G. O'Brien or Robert A. Wimbish at the law firm of Baker & Miller, PLLC, 2401 Pennsylvania Avenue, NW, Suite 300, Washington, DC 20037; by facsimile at (202) 663-7849; by e-mail at kobrien@bakerandmiller.com or rwimbish@bakerandmiller.com, or by telephone at (202) 663-7820.

Sincerely,



Keith G. O'Brien

Counsel for Estate of George M. Hart

Attachment

cc: Parties of Record
Alex E. Snyder

¹ The applicable regulation requires service of the notice of intent upon "significant users [present tense] of the line," 49 CFR 1152.50 (a)(2)(i), and there are no such active users (*i.e.*, freight shippers or consignees) of the line, let alone "significant" users. However, the Board has directed the Estate to serve this notice of intent upon the past users of the line as those users have been identified by SRC in a prior phase of this proceeding. SRC has not supplied the Board or the Estate with addresses or other contact information for the asserted past users of the line, but it did supply names. Accordingly, after researching the entities through various sources including the Pennsylvania Secretary of State, to the best of our knowledge, we have located appropriate parties to be served. Therefore, a copy of this notice is being served on Mann And Parker Lumber Company, Columbia Forest Products, Inc. (we believe the Columbia Forest Property previously served by the railroad may have been acquired by Silbaugh Investors so we are serving them as well), Bull Supply Company, Inc. (this company was listed as Bull's Supply in the SRC's reply in partial opposition; however, according to Secretary of State Records the correct name for the company is Bull Supply Company, Inc.), the Lumberyard (Wolf's Supply) Stewartstown (we have determined this entity is no longer in business but have contacted the previous owner, Thomas Wolf, who conducts business in York, PA and we are serving a copy of the filing on him, and Metropolitan Edison (which has been purchased by First Energy Corporation and who instructed us to serve their legal counsel in Akron, Ohio.

STB Docket No. AB-1071

Notice of Intent to Abandon or to Discontinue Service

The Estate of George M. Hart (“Applicant”) gives notice that on or about June 15, 2011, it intends to file with the Surface Transportation, Washington, DC 20423, an application for adverse abandonment of all of the track of the Stewartstown Railroad Company (“Stewartstown”), extending from milepost 0.0 at New Freedom, PA, to milepost 7.4 at Stewartstown, PA, which traverses through United States Postal Service Zip Codes 17349, 17361, and 17363. There are no active stations on this track, which has been out of service for conventional freight and passenger operations for over six years.

The reason for the proposed abandonment is to settle a debt, owed to the Applicant, by forcing the sale or salvage of a line that, in Applicant’s view, has no realistic prospect in the near term of becoming an outlet for rail-borne interstate commerce. Over a period of years, Mr. George M. Hart (“Mr. Hart”) provided \$352,415 to Stewartstown intended to sustain Stewartstown’s railroad functions in the form of loans (secured by the assets of the railroad as documented by a duly recorded indenture of mortgage and a separately recorded judgment note.) Mr. Hart passed away on April 17, 2008, and his will instructs the executor of his estate to seek repayment of the amounts loaned to Stewartstown in accordance with the mortgage and judgment note. Applicant has demanded immediate repayment of the debt as directed in Mr. Hart’s will. Stewartstown has responded that it is unable to fulfill its debt obligation to make such immediate payment, because the railroad has been essentially inactive since the spring of 2004, has *de minimis* operating revenues from which to make repayment, and has no cash reserves sufficient to repay the loan. Applicant believes that the only resources at Stewartstown’s disposal to repay its debts are Stewartstown’s idle rail line assets, and any motive power and rolling stock owned by Stewartstown.

The line has virtually no realistic prospect in the near term of becoming an outlet for rail-borne interstate commerce. The stub-ended line connects at milepost 0.0 with the Northern Central Railway (“NCR”) at New Freedom. The NCR property is owned by York County, PA, and it, too, has been out of service for several years. For this reason, even assuming that Stewartstown’s line was in a condition to handle revenue freight traffic or any traffic – and it is certainly in no such condition – the railroad lacks a viable connection to the balance of the interstate rail network. There is no practical possibility that the line could be reactivated for through common carrier service. Applicant has encouraged Stewartstown voluntarily to pursue liquidation of assets sufficient to satisfy its debt obligations to Applicant, but Stewartstown has to date refused to take any such remedial action, and it evidently has been unable to secure the assistance of an investor or lender that would provide funds with which to immediately satisfy the debt owed to Applicant. Having found no other alternative to secure repayment of its loan, and because Stewartstown has refused to take appropriate action voluntarily, Applicant has no choice but to file an application for adverse abandonment of the Stewartstown’s line in order that Applicant can, subject to any appropriate processes under Pennsylvania law,

foreclose upon Stewartstown's rail assets and sell them or liquidate them as necessary to satisfy Stewartstown's debt obligations. To the best of Applicant's knowledge and belief, the line does not contain federally granted rights-of-way. Any documentation in the Applicant's possession will be made available promptly to those requesting it.

The Surface Transportation Board does not normally impose labor protective conditions when a rail carrier abandons its entire line. *See County of Coahoma Mississippi – Abandonment Exemption – In Tallahatchie and Coahoma Counties, MS*, STB Docket No. AB-579X (served June 15, 2001).

The application will include the Applicant's entire case for abandonment (case in chief). Any interested person, after the application is filed on or about June 15, 2011, may file with the Surface Transportation Board written comments concerning the proposed abandonment or protests to it. These filings are due 45 days from the date of filing of the application. All interested parties should be aware that following any abandonment of rail service, and salvage of track, the line may be suitable for other public use, including interim trail use. Any request for a public use condition under 49 U.S.C. § 10905 (49 C.F.R. § 1152.28 of the Board's rules) and any request for a trail use condition under 16 U.S.C. § 1247(d) (49 C.F.R. § 1152.29 of the Board's rules) must also be filed within 45 days from the date of the filing of the application. Persons who may oppose the abandonment but who do not wish to participate fully in the process by appearing at any oral hearings or by submitting verified statements of witnesses, containing detailed evidence, should file comments. Persons interested only in seeking public use or trail use conditions should also file comments. Persons opposing the proposed abandonment that do wish to participate actively and fully in the process should file a protest.

Protests must contain that party's entire case in opposition (case in chief) including the following:

- (1) Protestant's name, address and business.
- (2) A statement describing protestant's interest in the proceeding including:
 - (i) A description of protestant's use of the line;
 - (ii) If protestant does not use the line, information concerning the group or public interest it represents; and
 - (iii) If protestant's interest is limited to the retention of service over a portion of the line, a description of the portion of the line subject to protestant's interest (with milepost designations if available) and evidence showing that the applicant can operate the portion of the line profitably, including an appropriate return on its investment for those operations.
- (3) Specific reasons why protestant opposes the application including information regarding protestant's reliance on the involved service [this information must be supported by affidavits of persons with personal knowledge of the fact(s)].

(4) Any rebuttal of material submitted by applicant.

In addition, a commenting party or protestant may provide a statement of position and evidence regarding:

- (i) Intent to offer financial assistance pursuant to 49 U.S.C. § 10904;**
- (ii) Environmental impact;**
- (iii) Impact on rural and community development;**
- (iv) Recommended provisions for protections of the interests of employees;**
- (v) Suitability of the properties for other public purposes pursuant to 49 U.S.C. § 10905; and**
- (vi) Prospective use of the right-of-way for interim trail use and rail banking under 16 U.S.C. § 1247(d) and 49 C.F.R. § 1152.29.**

Written comments and protests will be considered by the Board in determining what disposition to make of the application. The commenting party or protestant may participate in the proceeding as its interests may appear.

If an oral hearing is desired, the requester must make a request for an oral hearing and provide reasons why an oral hearing is necessary. Oral hearing requests must be filed with the Board no later than 10 days after the application is filed.

Those parties filing protests to the proposed abandonment should be prepared to participate actively either in an oral hearing or through the submission of their entire opposition case in the form of verified statements and arguments at the time they file a protest. Parties seeking information concerning the filing of protests should refer to 49 C.F.R. § 1152.25.

Written comments and protest should indicate the proceeding designation STB Docket No. AB-1071, and must be filed with the Chief, Section of Administration, Office of Proceedings, Surface Transportation Board, Washington, DC 20423, no later than August 1, 2011. Interested persons may file a written comment or protest with the Board to become a party to this abandonment proceeding. A copy of each written comment or protest shall be served upon the representative of the applicant: Keith G. O'Brien, Baker & Miller PLLC, 2401 Pennsylvania Ave., NW, Ste. 300, Washington, DC 20037, (202) 663-7852. The original and 10 copies of all comments or protests shall be filed with the Board with a certificate of service. Except as otherwise set forth in part 1152, each document filed with the Board must be served on all parties to the abandonment proceeding. 49 C.F.R. § 1104.12(a).

The line sought to be abandoned will be available for sale for continued rail use, if the Board decides to permit the abandonment, in accordance with applicable laws and regulations (49 U.S.C. § 10904 and 49 C.F.R. § 1152.27).

Persons seeking further information concerning abandonment procedures may contact the Surface Transportation Board or refer to the full abandonment regulations at

49 CFR Part 1152. Questions concerning environmental issues may be directed to the Board's Office of Environmental Analysis.

An environmental assessment ("EA") (or environmental impact statement ("EIS"), if necessary) prepared by the Office of Environmental Analysis will be served upon all parties of record and upon any agencies or other person who commented during its preparation. Any other persons who would like to obtain a copy of the EA (or EIS) may contact the Office of Environmental Analysis. EAs in abandonment proceedings normally will be made available within 33 days of the filing of the application. The deadline for submission of comments on the EA will generally be within 30 days of its service. The comments received will be addressed in the Board's decision. A supplemental EA or EIS may be issued where appropriate.